



MICROENTERPRISE ACCESS TO BANKING SERVICES

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**January 1 – March 31, 2004  
Performance Monitoring Report**

**TWENTY-FIFTH QUARTER**

*Submitted By:*

**Chemonics International Inc.**  
Manila, Philippines

*In association with:*

***Rural Bankers Association of the Philippines***

**April 2004**

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## Executive Summary

This document serves as the Microenterprise Access to Banking Services (MABS) Program's Twenty-fifth Quarterly Performance Report, covering the period January 1 through March 31, 2004. It also lays out the workplan for the next quarter.

The MABS program is a USAID-financed effort implemented by the Rural Bankers Association of the Philippines (RBAP) with oversight provided by the Mindanao Economic Development Council (MEDCo). Technical assistance, training, and program management are provided by Chemonics International, a firm contracted by USAID. The MABS program is one of the principal elements of USAID/Philippines' efforts to accelerate the economic transformation of Mindanao and other parts of the Philippines through expanded participation of lower-income groups in productive activities. MABS is directed at bringing about a sizable expansion of banking services—both loans and savings—to microenterprises and other groups at lower socio-economic levels. MABS is working with banks primarily in Mindanao but also supports the expansion of banking services to microenterprises in Luzon and Visayas.

Through MABS efforts, a minimum of 180 rural and cooperative rural bank branches in the Philippines will be encouraged and assisted to significantly increase the services they provide to the microenterprise sector. These efforts are intended to demonstrate to participating banks that it can be sensible and profitable to offer services to the microenterprise sector as a regular part of their portfolios. In turn, it is expected that the successful example of participating banks will encourage many more banks to look seriously at servicing the microenterprise market.

MABS has provided direct support to 142 rural banking units, which in turn, have disbursed Php3.745 billion (US\$66.9 million) in microloans to more than 124,000 new borrowers since 1999. The 126 lending bank units have more than 49,000 active microborrowers, with an outstanding microloan portfolio of more than Php344 million (US\$6.2 million). 224,650 new microdepositors have opened accounts with MABS participating banks, bringing the overall total of microdepositors served by MABS participating banks to more than 594,000. Microdeposit balances have increased by Php309 million (US\$5.5 million) for a total of Php674,320,002 (US\$12 million).

During the 25<sup>th</sup> Quarter, the top management of 36 participating banks gathered for the 2<sup>nd</sup> MABS National Roundtable Conference. The conference, which aimed to guide participating banks in their expansion plans and to sustain ongoing growth, focused on market expansion through increased productivity.

The topics discussed during the conference included the following: measuring efficiency; international best practices in improving efficiency; an introduction to the Activity-Based Costing (ABC) tool - a new costing method developed by the Consultative Group to Assist the Poor (CGAP); bank performance trends and the EAGLE rating system; updates and recommendations for MABS-assisted products; and a presentation on benchmarking and performance monitoring, which was given by a representative of the Microfinance Information Exchange (MIX)/MicroBanking Bulletin. The participants were also provided with a brief of the Program's status and future directions and updates on the latest Bangko

Sentral ng Pilipinas (BSP) circulars, particularly the circular amending the manual of accounts for rural banks to implement the rules, regulations and standards governing the microfinance operations of rural banks.

Other highlights of the conference were: a panel discussion on the insights and observations from the study visit to Bolivian microfinance institutions; the EAGLE Awards Night, where seven participating banks were given EAGLE Awards; and the Microfinance (MF) action planning session with the MABS technical staff.

Also during the quarter, representatives from three participating banks and three credit cooperatives attended a workshop that introduced the CGAP-developed ABC tool to the country. This new costing method traces costs to specific activities undertaken in processing a product or service and assigns cost drivers to determine unit activity costs. The three banks that had representatives in the workshop also served as pilot-test sites for the tool. The final report on the tool's pilot-test will be completed in the next quarter.

MABS technical services gained concrete headway in ensuring the sustainability of the Program's activities. After conducting the nationwide series of *Introduction to MABS* seminars last quarter, MABS Service Providers started their respective rollouts during the 25<sup>th</sup> quarter. Associated Resources for Management and Development Inc. completed the delivery of classroom training to nine banks. Punla sa Tao Foundation Inc. is currently training five rural banks, all located in the Bicol region.

The Program also conducted a workshop to train additional MABS Technical Resource Specialists (MABSTeRS). Presently, the Program has trained 22 microfinance unit (MFU) officers and managers and has accredited 12 technical resource specialists. They will serve as resource persons during training for participating banks and short refresher courses.

The quarter's activities all built up on the Program's accomplishments for the past years, ensuring sustainability – both in the performances of participating banks' MFUs and the continuity of all the Program's services.

#### **Accomplishments and Activities during the Twenty-fifth Quarter (January 1 - March 31, 2004):**

- Ninety presidents, senior managers and microfinance unit (MFU) managers from 36 participating banks convened for the 2<sup>nd</sup> MABS National Roundtable Conference. The conference's presentations, panel discussions, and forums focused on market expansion through increased productivity. Representatives from the Mindanao Economic Development Council (MEDCo), USAID-Philippines, the Bangko Sentral ng Pilipinas (BSP), the MicroBanking Bulletin, and the RBAP also participated in the conference. Among the highlights of the Roundtable were: the panel discussion on the insights and observations of the Bolivian study mission; the Activity-Based Costing Tool presentation; the BSP updates; MABS Program updates and future directions; MABS-assisted products updates and recommendations; the report on participating banks' performance trends and EAGLE ratings; and the presentation on performance monitoring and benchmarking.

- Seven participating banks were given EAGLE Awards in recognition of their excellent performance in managing their microfinance operations. The awards were based on the banks' EAGLE rating, which measures performances in five key areas (Efficiency, Asset Quality, Growth, Liability Structure, and Earnings).
- MABS organized a workshop to introduce and discuss the ABC tool, a new product costing method developed by the CGAP. The workshop was conducted by MABS service provider Punla sa Tao Foundation Inc., a CGAP-accredited institution. Twenty-eight participants from three MABS participating banks and three cooperatives attended the workshop. The ABC method measures the cost of a product or service based on the activities performed in the production process. This increases awareness of the cost structure of products, helping institutions better understand costs and improve efficiency.
- MABS, with assistance from Punla sa Tao Foundation Inc., provided technical assistance to three participating banks testing the ABC tool. The ABC tool was introduced and discussed in a workshop attended by the banks' staff. The post-workshop activities included the pre-testing of the ABC tool, conducting time estimates, creating an activities dictionary, calculating costs, determining the cost of delivering the products, and analyzing the results of the exercise.
- The Program conducted a workshop to train and prepare MFU supervisors and managers of participating banks to become part of the MABS Technical Resource Specialists (MABSTeRS) pool. Eleven MFU supervisors and managers of six Luzon and Visayas participating banks completed the workshop. Accredited resource specialists will serve as technical advisors in microfinance for participating banks. As part of the screening process, written diagnostic tests were administered and participants were asked to deliver presentations after every workshop lecture.
- MABS Service Provider Associated Resources for Management and Development Inc. (ARMDEV) completed the delivery of classroom training for all *MABS Approach* Training and Technical Services (MATTS) modules to nine rural banks in Luzon. Thirty-one participants from eight Luzon rural banks completed the training in March while one bank completed training in January. ARMDEV consultants will complete the delivery of on-site technical assistance to these banks in the next quarter.
- MABS hired an independent international consultant who conducted three training sessions on individual and group lending approaches for 119 BSP examiners. The training is part of the ongoing effort to familiarize examiners with the modifications to the bank examination manual to improve supervision of banks involved in microfinance.
- Automated Systems and Equipment Corporation (ASEC), the developers of the MABS-funded banking software RB2000, gave orientation sessions to BSP examiners. One hundred forty examiners attended the two half-day sessions.

- MABS hosted a conference for users of RB2000. Forty-four participants from 25 banks attended the conference, which was organized so that users could share and discuss common issues and solutions to frequently encountered problems. Technical staff from the software's rollout companies ASEC, Integrated Systems and Equipment Corporation (ISSEC), and MicroBanker Philippines provided workarounds and recommended long-term solutions to problems commonly encountered by users.
- A delegation composed of eight rural bankers from seven participating banks joined a microfinance study tour to Bolivia. The main objective of the tour was to study the approaches used by regulated microfinance institutions to expand market outreach, maintain high portfolio quality, and manage growth.
- A presentation on Philippine rural microfinance, which focused on rural banks and their experience with microfinance under the MABS Program, was delivered by the MABS Chief of Party at the 3<sup>rd</sup> Tanzanian Annual National Conference on Microfinance held in Arushu, Tanzania. Microfinance experts and practitioners from all over the world attended the conference, which was organized by the Bank of Tanzania, the country's Central Bank.
- Chemonics submitted the Twenty- Quarterly Performance Monitoring Report

**For the Twenty-sixth Quarter, April 1 – June 30, 2004, MABS will:**

- Conduct operations reviews for ARMM/CAAM banks.
- Conduct operations reviews for 6<sup>th</sup> rollout banks.
- Hold the Luzon-Visayas Roundtable Conference.
- Hold a supervisors' forum for Luzon-Visayas participating banks.
- Conduct an account officers' refresher course.
- Conduct a workshop on savings mobilization.
- Conduct a workshop on delinquency management and internal control.
- Monitor the Visayas and Mindanao MATTS rollout.
- Establish additional learning centers in the Luzon and Visayas regions.
- Assist ARMM/CAAM banks in conducting focus group discussions on market study.
- Organize an exposure visit for other ARMM/CAAM banks to observe the microfinance operations of Maranao Rural Bank.

- Conduct strategic planning sessions with ARMM/CAAM banks.
- Conduct training on the Personal Digital Assistant (PDA) Module for CI/BI and Cashflow Interface.
- Hold a series of training on the Performance Monitoring System (PMS).
- Hold the 2<sup>nd</sup> RB2000 Users' Conference.
- Set up the RB2000 website.
- Coordinate with the RBAP on the expansion of the Bankers Association of the Philippines Credit Bureau to the rural bankers' federation level.
- Develop the RB2000 automated credit bureau data interface.
- Prepare a study on microfinance loan officer incentives scheme.
- Submit the Twenty-sixth Quarterly Performance Monitoring Report.

## **Contractor's Report**

### **1. MABS Oversight.**

MABS receives overall program guidance from a Steering Committee, composed of a representative from the Office of the President, the Executive Director of the Rural Bankers Research and Development Foundation Inc. (RBRDFI), a USAID representative, the RBAP President, and the Chairperson of the Mindanao Economic Development Council (MEDCo). This committee identifies focal areas for program coverage and formulates and concurs with major policies that guide the MABS Program.

MABS receives guidance and support on implementation matters from a Management Committee. This committee is comprised of the Executive Director of MEDCo and the USAID Cognizant Technical Officer (CTO). The Management Committee approves all expenditures from the MABS Special Activities Fund (SAF), which is used to facilitate the implementation of the activities to be carried out under MABS, including special studies, training, commodity and technical support, incentive schemes, and procuring services of organizations or individuals needed to carry out specialized tasks.

The MABS Program got underway in April 1998 and has been extended to September 2004. It is a cost-plus-fixed-fee (CPFF) completion contract. The estimated cost for the performance of the work required in the contract, exclusive of fixed fee, as amended in August 2003, is \$11,907,086.67. The fixed fee is \$592,913.33. The estimated cost plus fixed fee is \$12,500,000.00. The contract budget is broken down into two Contract Line Item Numbers (CLINS), one for Expanding Access to Banking Services (\$9,958,832.00) and the other for the Special Activities Fund (\$2,541,168.00).

### **2. Expected Results**

With the latest amendment of the MABS contract Scope of Work in August 2003, the following are the revised objectives and targets for September 2004:

1. A minimum of 180 rural banks and bank branches from throughout the Philippines will receive MABS assistance.
2. These banks will altogether expand their portfolios to reach a total of at least 57,500 active borrowers by September 2004 and reach 125,000 cumulative new borrowers by September 2004.
3. Enroll at least 200,000 new microdepositors among all participating banks.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.
5. An effective and "USAID-accepted" anti-backsliding program focused on participating banks that have "graduated" from the MABS program developed and being implemented by RBAP.

6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the *MABS Approach* in participating rural banks.
7. An appropriate fee structure developed and implemented for various services to be offered by RBAP-MABS-licensed consultants/organizations to prospective participating banks, “graduated” banks, non-participating banks, and other institutions.
8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.
9. Installation of the *MABS Approach* into at least three new participating banks servicing religious and ethnic minority communities of Mindanao.
10. Significant expansion of the number of clients belonging to ethnic and minority groups being served by at least five participating banks in areas outside of the predominantly minority communities of Mindanao.
11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.
12. Support for the development of an appropriate microfinance software that will enable bank management to support a viable and sustainable microfinance operations.

### **3. Current Core Activities: MABS Activities**

The 2004 MABS workplan covers the period January 1, 2004 through September 30, 2004. The contractor is responsible for ensuring that these major components are addressed:

1. Bank Strengthening and Anti-Backsliding
2. Sustainable MABS Technical Services
3. Expansion of Banking Services to Religious and Ethnic Minorities
4. Microfinance Policy and Standards
5. Monitoring and Evaluation
6. Other Activities
7. Project Management

Below are highlights of the tasks accomplished in the Twenty-fifth Quarter (January 1 – March 31, 2004) and tasks planned for the Twenty-sixth Quarter (April 1 – June 30, 2004).

#### **1. Bank Strengthening and Anti-Backsliding**

To ensure that there is no deterioration in a participating bank’s (PB) MFU performance, various activities have been conducted: PB selection, diagnostic evaluations, organizational and human resource development, systems development and installation, loan product development, preparation of manuals, and improvement of marketing skills. The component also includes training activities such as formal course work, workshops, seminars, on-the-job training, internship, study tours, and other capacity-building initiatives.

### *Tasks completed in the Twenty-fifth Quarter:*

*Task One. Hold the 2<sup>nd</sup> National Roundtable Conference.* Ninety presidents, senior managers, and MFU officers from 36 participating banks convened for the 2<sup>nd</sup> MABS National Roundtable Conference in Davao City. The conference's presentations, forums, and panel discussions focused on market expansion through increased productivity.

*Task Two. Give out EAGLE Awards to outstanding participating banks.* For the second year, the Program gave out EAGLE Awards, recognizing the excellent performances of seven selected participating banks in managing their microfinance operations. The Awards are based on the banks'

EAGLE ratings, which measures a bank's performance in five key areas (Efficiency, Asset Quality, Growth, Liability Structure, and Earnings). All the awardees received an 'AA' grade. The second batch of EAGLE Awards are: Bangko Kabayan, Banco Santiago de Libon, New Rural Bank of Victorias, the Rural Bank of Dulag, Rural Bank of Tacurong, Kapatagan Valley Bank and the Rural Bank of Cantilan.



*Task Three. Conduct a workshop to introduce and discuss the CGAP-developed Activity-Based Costing tool.* The MABS Program organized a workshop to introduce and discuss the CGAP-developed Activity Based Costing tool, a new costing method that traces costs to specific activities involved in processing a product or a service. Twenty-eight participants from three MABS participating banks and three credit cooperatives completed the workshop, which was conducted by consultants of Punla sa Tao Foundation Inc., a CGAP-accredited institution and a MABS service provider. The three MABS banks with representatives in the workshop pilot-tested the ABC tool.

### *Tasks to be completed in the Twenty-sixth Quarter:*

*Task One. Conduct operations reviews for ARMM/CAAM banks.*

*Task Two. Conduct operations reviews for 6<sup>th</sup> rollout banks.*

*Task Three. Hold the Luzon-Visayas Roundtable Conference.*

*Task Four. Hold a supervisors' forum for Luzon and Visayas participating banks.*

*Task Five. Conduct a microfinance refresher course for Luzon and Visayas participating banks' account officers.*

*Task Six. Conduct a workshop on delinquency management and internal control.*

## **2. Sustainable MABS Technical Services**

To ensure the sustainability of the MABS Program's activities and to accelerate the dissemination of the *MABS Approach* to Microfinance, the Program developed training and technical services capabilities of private organizations, individuals, and selected MABS participating banks.

MABS Service Providers (MSPs) are consultants from local firms that have undergone extensive training and hands-on technical assistance. They are authorized as fully capable of assisting rural banks to establish MFUs. MABS Technical Resource Specialists are rural bankers who have been trained to deliver refresher courses while Learning Centers (LCs) are outstanding participating banks that best exemplify *MABS Approach* best practices and allow an on-site venue for interested rural banks to visit.

With the official launch of the MSP Program, the certification of MABSTeRS, and the establishment of LCs, the *MABS Approach* will be installed in an increased number of rural banks to ultimately benefit more microentrepreneurs.

### **Tasks completed in the Twenty-fifth Quarter:**

*Task One. Monitor the Luzon MATTS rollout.* The Program continued to monitor the Luzon rollout of its two service providers, ARMDEV and Punla sa Tao Foundation. As of the end of the quarter, ARMDEV has completed the delivery of classroom training on all the



MATTS modules to the 2<sup>nd</sup> Luzon rollout, consisting of thirty-one rural bankers from eight Luzon rural banks. ARMDEV consultants will provide on-site technical assistance to these banks. Punla sa Tao Foundation has completed the classroom training of three MATTS modules for its Luzon rollout. Punla is presently training 19 representatives from five banks, all located in the Bicol region.

*Task Two. Conduct a workshop to train prospective MABSTeRS.* MABS technical staff conducted a workshop to train and prepare prospective technical resource specialists. Eleven MFU supervisors and managers from six Luzon and Visayas participating banks completed the workshop. As part of the screening process, the MABS team administered written diagnostic tests after every lecture session. Participants were also required to give presentations on assigned topics. Upon accreditation, the technical resource specialists will serve as microfinance advisors to other rural banks and provide refresher microfinance courses.



### **Tasks to be completed in the Twenty-sixth Quarter:**

*Task One. Monitor the Visayas and Mindanao MATTs rollout.*

*Task Two. Establish additional learning centers.*

## **3. Expansion of Banking Services to Religious and Ethnic Minorities**

To reach out to clients in Conflict Affected Areas in Mindanao (CAAM) and the Autonomous Region in Muslim Mindanao (ARMM), the MABS Program aims to install the *MABS Approach* in at least three new participating banks and provide technical assistance to at least five new existing participating banks.

### **Tasks Completed in the Twenty-fifth Quarter:**

*Task One. Conduct operations reviews of ARMM/CAAM banks.* MABS conducted the operations reviews of the Rural Bank of Datu Paglas and the Rural Bank of Isulan.

*Task Two. Provide commodity, technical, and operational support for additional ARMM/CAAM banks.* The Program provided commodities (equipment, including hardware and software) and operational (salary cost-sharing, marketing, and development) support to two additional ARMM/CAAM banks (Kapatagan Valley Bank and the Bagong Bangko Rural ng Malabang).

### **Tasks to be completed in the Twenty-sixth Quarter:**

*Task One. Assist ARMM/CAAM banks in conducting focus group discussions on market study.*

*Task Two. Organize an exposure visit for other ARMM/CAAM banks to observe the microfinance operations of Maranao Rural Bank.*

*Task Three. Conduct strategic planning sessions with ARMM/CAAM banks.*

#### 4. Microfinance Policy and Standards

In coordination with USAID and USAID-financed projects, MABS will undertake a number of policy initiatives related to microfinance operations of rural banks.

##### Tasks Completed in the Twenty-fifth Quarter:

*Task One. Conduct microfinance training sessions to BSP examiners.* MABS conducted three microfinance training sessions to 119 BSP examiners as part of the ongoing effort to familiarize examiners on the modifications to the examination manual. With technical assistance from MABS, modifications - all taking into account the activities of rural and cooperative banks engaging in microfinance - were made to the bank examination manual.



*Task Two. Orient BSP examiners on RB2000.* In separate half-day sessions, MABS and the technical staff of ASEC briefed 140 BSP bank examiners on the features RB2000.

##### Tasks to be Completed in the Twenty-sixth Quarter:

*Task One. Provide inputs in the finalization of the Microfinance Performance Standards for all types of Philippine Microfinance Institutions.*

#### 5. Monitoring and Evaluation

This component includes activities relating to the establishment of monitoring and evaluation systems for use by the individual participating banks, the MABS project team, and RBAP. In addition, special studies, briefs, impact assessments and other evaluations are included in this component.

##### Tasks Completed in the Twenty-fifth Quarter:

*Task One. Continue to evaluate monthly MFU performance.* As of March 31, 2004, the 126 bank units reporting to MABS had 49,316 active micro borrowers with an outstanding loan portfolio of Php344,934,291. From January 1998 up to March 2004, the number of microdepositors increased by 224,835 and microdeposit balances increased by Php309,508,294.

*Task Two. Continue close monitoring of portfolio at risk ratios of participant banks.* MABS continued to monitor the portfolio at risk ratios of participating banks. The consolidated portfolio at risk ratio over 30 days of MABS banks as of March 31, 2004 was 3.86%

*Task Three. Complete the pilot-test of the scaled-down version of the MABS performance monitoring system (PMS). The revised PMS was pilot-tested in three participating banks during the quarter.*

### **Tasks to be completed in the Twenty-sixth Quarter:**

*Task One. Hold training on the updated PMS.*

*Task Two. Continue close monitoring of portfolio at risk ratios of participant banks.*

## **6. Other Activities**

All initiatives dealing with the development and strengthening of the RBAP, including training specifically directed to this organization, will be programmed under this component.

### **Tasks Completed in the Twenty-fifth Quarter:**

*Task One. Host a conference for RB2000 users.* Forty representatives from 25 rural banks attended the 1<sup>st</sup> RB2000 Users' Conference. RB2000 users shared and discussed common issues and rollout companies (ASEC, ISSEC and MBPhil) provided workarounds to frequently encountered problems. The technical staff of the rollout companies also gave recommendations and tips to maximize the features of the software.

*Task Two. Participation in a study tour to Bolivian microfinance institutions.* A delegation composed of eight rural bankers from seven MABS participating banks participated in a microfinance study tour to Bolivia. The main objective of the study visit was to observe and study the approaches used by Bolivian microfinance institutions to expand market outreach, maintain high portfolio quality, and manage growth. The group was also introduced to the technology and management information systems used by the Bolivian MFIs, and the credit bureau system.



*Task Three. Present the MABS Approach and the MABS Program during the 3<sup>rd</sup> Tanzanian National Conference on Microfinance.* At the invitation of the Bank of Tanzania (Tanzania's central bank), the Program Chief of Party gave a presentation on Philippine rural microfinance, with focus on rural banks and their experience with microfinance under the MABS Program.

**Tasks to be Completed in the Twenty-sixth Quarter:**

*Task One. Hold the 2<sup>nd</sup> RB2000 Users' Conference.*

*Task Two. Set up the RB2000 website.*

*Task Three. Develop the RB2000 automated credit bureau interface.*

*Task Four. Coordinate with the RBAP on the expansion of the Bankers Association of the Philippines Credit Bureau to the rural bankers' federation level.*

*Task Five. Prepare a study on microfinance loan officer incentives scheme.*

**7. Program Management**

Program management takes into account meetings, project evaluations, reports submission, visits by Chemonics' home office staff, and other activities related to overall project management.

**Tasks Completed in the Twenty-fifth Quarter:**

*Task One. Submit the Twenty-fourth Quarterly Performance Monitoring Report covering October 1 – December 31, 2003.* Chemonics submitted the Twenty-fourth Quarterly Performance Monitoring Report covering October 1 – December 31, 2003.

**Tasks to be completed in the Twenty-sixth Quarter:**

*Task One. Submit the Twenty-fifth Quarterly Performance Monitoring Report covering January 1 – March 31, 2004.*

#### 4. Performance

##### *Current status vs. expected end of project results*

Expected end of project results	Current Status
1. A minimum of 180 rural bank units (head offices and branches) from throughout the Philippines will receive MABS assistance.	One hundred forty-two head offices and branches of 55 rural banks have now received technical assistance from MABS. The 142 bank units consist of the pilot, 1 <sup>st</sup> rollout, 2 <sup>nd</sup> rollout, 3 <sup>rd</sup> rollout, 4 <sup>th</sup> rollout, 5 <sup>th</sup> rollout, 6 <sup>th</sup> rollout, and the MSP rollout banks.
2. Participating banks will expand their portfolios to include a total of at least 57,500 active microenterprise borrowers among all participating banks.	As of March 31, 2004, the total number of outstanding microfinance borrowers for the banks/bank branches reporting was 49,316 or 85.77% of the target. The cumulative number of new borrowers reached by participating banks was 124,735.
3. Increase the number of microenterprise depositors to reach a total of at least 200,000 new microdepositors among all participating banks	As of March 2004, the net change in the number of active micro depositors for the bank branches reporting was 224,835 or 112.41% of the target.
4. At least half of the participating banks will have decided to make microenterprise services a continuing and significant part of their portfolios, and will have taken the steps required to properly and profitably service the microenterprise market.	March 31, 2004 figures show that of the 37 MABS banks operating a MFU for more than 12 months, 35 realized a positive net income while only two reported negative net income.
5. An effective and “USAID-accepted” anti-backsliding program focused on participating banks that have “graduated” from the MABS Program	<p>MABS focuses on the following activities to meet this objective:</p> <p>(a) Roundtable Discussions with top management of participant banks on methods for addressing backsliding and maintaining best practices; and</p> <p>(b) Microfinance Supervisors’ Forums, which aim to provide MFU supervisors the opportunity to share and learn from each other’s experiences in managing their micro loan portfolio and reinforce best practices.</p> <p>In 2003, MABS conducted the 1st National Roundtable Conference, a Luzon/Visayas Roundtable Meeting, a Mindanao Roundtable Meeting, four MFU Supervisors’ Forums, three refresher courses for account officers, and a Supervisory Skills workshop. During the quarter, MABS held the 2<sup>nd</sup> National Roundtable Conference.</p>

<p>6. An RBAP-MABS microfinance training and technical services program in place utilizing licensed consultants/organizations capable of carrying out the installation of the <i>MABS Approach</i> in participating rural banks.</p>	<p>Three training and technical capacities were launched in 2003: the MSP Program, the MABSTeRS, and the LCs. The MSPs have been authorized to install the <i>MABS Approach</i> to additional rural banks. In November 2003, the MSPs delivered a series of 14 one-day <i>Introduction to MABS</i> seminars to more than 450 senior managers of 245 rural banks across the country. During the quarter, the MSPs started their respective rollouts; one has completed the delivery of <i>MABS Approach</i> training for nine rural banks while the other MSP is completing training and technical assistance for five new banks.</p> <p>MABSTeRS are microfinance practitioners who have been trained to deliver refresher courses and support the MSPs' activities. Presently, there are 22 trained resource specialists, 12 of whom are accredited.</p> <p>LCs are model participating banks that best showcase <i>MABS Approach</i> best practices. Two LCs were established in Mindanao; an additional two will be established in the next quarter in Luzon and Visayas.</p>
<p>7. An appropriate fee structure for various services to be offered by RBAP-MABS licensed consultants/organizations to prospective participating banks, "graduated" banks, non-participating banks, and other institutions developed and implemented.</p>	<p>As of March 31, 2004, the MABS Approach package fee charged by MSPs range from Php130,000 to Php166,000 exclusive of miscellaneous and incidental expenses.</p>
<p>8. An appropriate manual of bank examination for rural banks and other regulated institutions engaged in microfinance accepted and utilized by the Bangko Sentral ng Pilipinas.</p>	<p>An independent consultant hired under the project worked with the BSP to institute changes that were pilot tested from May to June 2003. These changes were incorporated into the BSP examination manual in July 2003. More than 239 bank examiners were trained in the new procedures in August 2003 and January 2004. In January 2004, the BSP further amended the loan loss provision requirements for microfinance operations based on recommendations by the independent consultant. During the quarter, MABS conducted three training sessions to orient 119 BSP examiners on the modifications made to the bank examiner's manual.</p>

<p>9. Installation of the <i>MABS Approach</i> into at least three new participating banks servicing religious and ethnic minority communities in Mindanao.</p>	<p>The ManCom approved the participation of three ARMM/CAAM banks in the Program. These banks have received training and technical assistance in the following areas: gap analysis; senior managers' exposure training; strategic planning; effective banking systems and procedures; improving organizational structure, governance and management capability; and enhancing existing group loan products. Product Development and CIBI/Cashflow Analysis training and technical assistance were conducted last year.</p>
<p>10. Significant expansion of the number of clients belonging to ethnic and minority groups of at least five participating banks in areas outside of the predominantly minority communities of Mindanao.</p>	<p>Five additional banks have been approved for participation in the Program; work with three of these banks started in May 2003. Two ARMM/CAAM banks - one new and one existing- have started receiving technical assistance to strengthen microfinance operations.</p>
<p>11. Establishment of a credit reference service that will be helpful in the overall effort to enable rural banks to effectively and profitably service the microenterprise market.</p>	<p>The Bankers' Association of the Philippines' Credit Bureau (BAP-CB) program was expanded to Luzon with two MOUs with BAP-CB signed by one regional confederation and one local federation in Metro Manila. BAP-CB continued to offer training to RBs in collaboration with MABS. A MOU between RBAP and BAP is scheduled to be signed during the RBAP National Convention in April 2004. The MOU will provide a rebate of subscription fees, which will be returned to rural bank federations to expand credit bureau services to more rural banks.</p>
<p>12. Support for the development of an appropriate microfinance software that will enable bank management to have a viable and sustainable microfinance operations.</p>	<p>Version 1.1 of RB2000 was completed and certified by RBAP in April. The BSP has validated RB2000 v.1.1 as compliant with their reportorial requirements. MABS is presently monitoring the rollout of the new version. As of March 2004, RB2000 has been installed in 67 Rural Banks.</p> <p>MABS conducted two sessions to brief 140 BSP bank examiners on RB2000.</p>

## Administrative Information

Contract Data: Total Estimated Cost	\$12,500,000.00
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CLIN #1 Total Estimated Cost	\$9,958,832.00
1. Expenditures (January 1 – March 31, 2004)	\$319,556.71
2. Cumulative Expenditures Through March 31, 2004	\$9,004,473.61
3. Remaining Unexpended Balance	\$954,358.39

CLIN #2 Total Estimated Cost	\$2,541,168.00
1. Expenditures (January 1 – March 31, 2004)	\$72,664.40
2. Cumulative Expenditures Through March 31, 2004	\$2,179,292.90
3. Remaining Unexpended Balance	\$361,875.10

## Special Activities Fund (SAF) Requests Approved during the Quarter:

### ***SAF No. 84 – Request for Approval of Rural Banks Qualified for MABS Support under SAF 84***

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In order to reach the targeted MABS rollout of 50 rural banks in the next ten months, licensed MSPs must have signed agreements with at least 25 rural banks by January. SAF 84 will provide limited financial support for rural banks that commit and contract MSPs to receive full MABS Approach Training and Technical Services (MATTS).

To qualify for support, an interested rural bank must have a CAMELS rating of 3.0 or higher, and must submit a letter of interest, board resolution, certificate of good standing with the RBAP, and a signed agreement with a MABS service provider.

#### **Status:**

Twenty-one (21) rural banks have qualified for support. As of the end-March, Associated Resources for Management and Development Inc. (ARMDEV) has completed the delivery of classroom training to nine banks. Punla sa Tao Foundation Inc. is currently training five rural banks. ARMDEV will start its Visayas rollout and Punla will start its Mindanao rollout in the next quarter.

### ***SAF No. 85 – MABS Support to Train Additional MABSTeRS***

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The pool of MABS Technical Resource Specialists (MABSTeRS) was formed to ensure the sustainability of the Program's services, along with the accreditation of licensed MSPs and the establishment of Learning Centers. The technical resource specialists are microfinance practitioners – senior managers and supervisors- from MABS participating banks who will serve as microfinance advisors to other rural banks.

The MABSTeRS accreditation process includes an assessment of a candidate's presentation skills and an evaluation of his/her grasp of the *MABS Approach* through a diagnostic test.

Presently, there are ten (10) accredited MABSTeRS from Mindanao and only one resource specialist from the Luzon/Visayas region. With the on-going Luzon and Visayas rollout of the MSPs and the continuing expansion of MABS participating banks in those areas, there is an immediate need to train additional resource specialists who will supplement the MSPs rollout by conducting refresher courses for account officers of participating banks that do not have training capabilities.

The additional MABSTeRS will come from five (5) Luzon banks and two (2) Visayas banks namely: First Macro Bank, Kabayan Rural Bank, First Isabela Cooperative Bank, Banco Santiago de Libon, Rural Bank of Mabitac, New Victorias Rural Bank and Rural Bank of Dulag. Based on the screening criteria previously developed, fifteen participants will be selected from among the nominees.

**Status:**

Eleven microfinance unit (MFU) supervisors and managers from six participating banks completed the workshop, which was held from February 17–20 in Manila. The workshop focused on the following topics: microfinance best practices, credit and background investigation (CIBI), CIBI report preparation, cashflow analysis and report preparation, and delinquency control and management. The additional resource specialists will be selected and accredited in May.

***SAF No. 86 – MABS Support for Two Additional Banks in the ARMM/CAAM***

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The ManCom approved the participation of 2 banks located in the Autonomous Region of Muslim Mindanao (ARMM) and the Conflict Affected Areas in Mindanao (CAAM): the Bagong Rural ng Malabang and the Kapatagan Valley Bank. This is in line with the MABS Program's objective of working with at least eight (8) rural and cooperative banks that could provide microfinance services to members of religious and ethnic minority residing in the ARMM and the CAAM.

MABS will provide these new participating banks with training and technical assistance for bank strengthening and expansion of banking services, as well as commodities and operational support. MABS' support includes training and in-house support for marketing and development; salary cost sharing for three microfinance staff members up to a limited number of months; and equipment, including hardware and software.

**Status:**

The two banks have already received the equipment specified in the budget; the installation of RB2000, however, is ongoing. As stipulated in the amendment to the SAF request, the banks have agreed to cover the salaries of their microfinance staff and have instead, requested for servers, which are needed for the RB2000 systems operations. The servers will be installed in the coming quarter.

***SAF No. 87 – Support for the RB2000 Users' Conference***

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RB2000 was developed by the Program to strengthen the management information system (MIS) data collection and reporting capabilities of rural banks, both for traditional banking activities and microfinance operations. The software, which had its first rollout in March 2002, includes three basic banking modules for deposit management, loan management, and general ledger accounting. The system also offers banking support modules for financial product design; cash dispenser and an automatic teller machine (ATM) interface; assessing charges, fees and taxes; and general ledger interface. One of the most innovative features of RB2000 is its financial product design module which allows the user unparalleled flexibility to configure how RB2000 works.

In 2003, an updated version, the RB2000 Version 1.1, was introduced. Newly added on RB2000 version 1.1 is the personal digital assistant (PDA) loan collection interface. This module enables the bank to manage regular collections utilizing Palm Operating System

Personal Digital Assistants, cutting down on time and costs and improving overall efficiency. The update was also certified as compliant with Bangko Sentral ng Pilipinas (BSP) reportorial formats.

As of March 2004, 67 banks are using RB2000. Three rollout companies, Automated Systems and Equipment Corporation (ASEC), Integrated Systems and Equipment Corporation (ISSEC), and MicroBanker Philippines, provide technical services (including installation) and support. The 1<sup>st</sup> RB2000 Users' Conference was organized so that users and their rollout companies could share and discuss common issues, frequently encountered problems, workarounds, and recommendations. Rollout companies will also provide users with the new features and functionalities of RB2000 Version 1.1, including the BSP GL Reporting Module and the PDA Loan Collection Module. The participants will also be introduced to the new RB2000 customer support facility.

**Status:**

Forty-four representatives from 25 rural banks attended the 1<sup>st</sup> RB2000 Users' Conference. During the workshop, users shared problems they frequently encounter; the technical staff of the rollout companies provided solutions, workarounds and recommendations. To facilitate the exchange of information (among users and between users and the staff of rollout companies), E-groups were also formed.

***SAF No. 88 – Development and Production of Video Documentation for the 2004 EAGLE Awards***

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A series of three videos will be developed to document the accomplishments of seven participating rural banks that will receive EAGLE Awards. All seven banks have achieved a 'AA' rating based on the EAGLE rating system. The system measures a rural bank's performance in five key areas (Efficiency, Asset Quality, Growth, Liability Structure, and Earnings).

The awardees will be classified according to region (Luzon, Visayas, Mindanao); a video will be developed for each region. Aside from documenting the achievements of the banks, the videos will also focus on specific topics. Luzon awardees will discuss the importance of careful monitoring, product design, management support, and operational efficiency. Visayas awardees will discuss proper internal control and zero tolerance towards loan delinquency. Mindanao winners will focus on savings mobilization, targets setting, improving efficiency, staff incentives and microfinance operations expansion.

The video will be primarily shown during the EAGLE Awards Night but will also be used by MABS, RBAP, and the MSPs for information and training purposes. These videos will promote the best practices to other rural banks and increase appreciation and awareness on microfinance among rural banks.

**Status:**

The videos were completed on schedule and were first shown during the EAGLE Awards Night.

***SAF No.89 – Support for the MABS National Roundtable Meeting and EAGLE Awards Ceremony***

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The Program regularly holds national roundtable conferences as part of the anti-backsliding program. Roundtables give the top management of participating banks the opportunity to share and discuss methods for maintaining best practices and address backsliding, and to be updated on the status and future plans of the Program.

This year's roundtable will focus on market expansion through increasing productivity. This topic is considered timely and relevant, since most of the participating banks have expanded their operations or are in the process of expansion.

The EAGLE Awards Night, to recognize the outstanding performances of seven participating banks, will be held as part of the National Roundtable. A microfinance action planning session with MABS technical staff will also be conducted.

**Status:**

Ninety presidents, senior managers, and MFU officers of 36 participating banks attended the 2<sup>nd</sup> MABS National Roundtable, which was held in Davao City on March 29-30. Representatives from the Mindanao Economic Development Council (MEDCo), USAID-Philippines, the Bangko Sentral ng Pilipinas (BSP), the MicroBanking Bulletin, and the RBAP also participated in the conference.

***SAF No. 90 –Support for the Performance Monitoring System Training***

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MABS has developed a scaled-down version of the Performance Monitoring System (PMS) that consolidates the performance reports on the bank level. The new system was pilot-tested in three participating banks last Quarter. In preparation for the official rollout, training sessions will be held in Mindanao, the Visayas and Luzon.

**Status:**

Northern Mindanao and Visayas PBs will be trained on the new PMS on May 7-8; training for Southern Mindanao PBs will be on May 14-15. The Luzon training will be on May 21-22.

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SAF	Title	Results	Approved	Status	ManCom Approved Budget	Expenses Thru Quarter 24	For the Quarter Expenses			Total Expenses Quarter 25	Expenses To Date	Re Ap B
							Jan-04	Feb-04	Mar-04			
1	Best Practices Workshop	Attendance was successful. Participating banks came from 89 rural/cooperative banks in Mindanao. MABS program was defined. Interest in MABS was established.	Apr-98	Closed	4,131.00	1,545.00				-	1,545.00	
2	MIS Study	RBRDFI staff involvement in MIS assessment.	Apr-98	Closed	805.47	283.00				-	283.00	
3	Product Development Workshop	Rural banks and regional Federation presidents were invited. Participants rated invited speakers from CARD and San Leonardo Rural Bank very helpful.	Jun-98	Closed	4,728.72	3,209.00				-	3,209.00	
4	Market Survey, Fixed-Price	TRENDS-MBL will conduct a survey of microenterprises in each of the PB market areas. This request also includes 2 research assistants for one month each. Exceeded budget due to forex drop	Jul-98	Closed	15,373.81	16,800.00				-	16,800.00	
5	Training Preparation - Boypee Panganiban	Boypee Panganiban will come to Davao for 5 days to assist in preparing training sessions for upcoming regional workshops.	Jul-98	Closed	2,155.79	1,685.00				-	1,685.00	
6	RBRDFI Involvement in MIS Development	P. Crisostomo's (RBRDFI) Staff travels	Jul-98	Closed	1,640.00	3,189.00				-	3,189.00	
7	Loan Repayment Workshop	B. Pendleton's Loan Repayment workshop	Aug-98	Closed	5,734.76	3,728.00				-	3,728.00	
8	Cash Flow Lending workshop	B. Panganiban's Regional Workshops	Sep-98	Closed	25,573.29	14,634.00				-	14,634.00	1
9	Case Study of PAICOP	D. Capeding, a case study of PAICOP. *Exceeded budget due to extension of services	Sep-98	Closed	834.87	1,593.00				-	1,593.00	
10	Pilot Bank Agreement	Pilot Bank Agreement Implementation	Oct-98	Open	72,895.87	66,413.00				-	66,413.00	
11	Panganiban Book Publication	NRBSL Practices	Dec-98	Closed	8,461.54	7,754.00				-	7,754.00	
12	Research Assistant for the roll-out	Luisa Cadiz, RA for Roll-out	Nov-98	Closed	3,010.90	6,410.00				-	6,410.00	
13	Mindanao Fed. RB Meeting	Regional Conference	Dec-98	Closed	2,448.11	456.00				-	456.00	
14	Enhancement of MicroBanker	Pilot Bank MIS Enhancement	Dec-98	Closed	13,282.07	13,977.00				-	13,977.00	
15	RBAP Strategic Planning	Laurel Druben, ITI, fixed-price subcontract	Feb-99	Closed	32,996.56	25,091.00				-	25,091.00	
16	NRBSL Exposure Trip	Pilot Bank Managers and staff trip to NRBSL	Feb-99	Closed	7,105.41	4,854.00				-	4,854.00	
17	SGV Corporate Finance to RBAP	Canceled	Canceled	Canceled		-				-	-	
18	Follow-up trip by Druben	Start up implementation of RBAP/RBRDFI Strategic Development Program	May-99	Closed	30,883.58	31,662.00				-	31,662.00	
19	Training Modules with PBs	Pilot Banks Training Modules	May-99	Closed	2,629.48	920.00				-	920.00	
20	Orientation Course of Senior Officers of New PBs	Workshop Orientation of new PBs done	June-99	Closed	8,284.27	4,908.00				-	4,908.00	

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							Jan-04	Feb-04	Mar-04			
21	Commodities and Support	Commodities assistance completed.	July-99	Open	155,427.38	115,055.63				-	115,055.63	4
22	Training course for MF staff and PBs Supervisors	MF Workshop training course new PBs attended and participated by PBs.	Jul-99	Closed	19,211.43	14,800.00				-	14,800.00	
23	ITI subcontract for presentation of finalized plan and full start-up implementaion of RBAP/RBRDFI Strategic Development Program	Presentation of finalized plan for RBAP/RBRDFI completed	Aug-99	Closed	36,543.10	17,270.00				-	17,270.00	1
24	Enhancement of PC Banker system for participant bank RB Ozamis	RB Ozamis PC Banker enhancement delivered	Sep-99	Closed	5,331.11	4,379.00				-	4,379.00	
25	Internship training at Enterprise Bank for MFU of Sarangani and Montevista Banks	Internship completed.	Sep-99	Closed	530.97	529.00				-	529.00	
26	Enhancement of MicroBanker system for participant banks	Microbanker for PBs enhancement completed	Sept-99	Closed	24,987.38	22,180.00				-	22,180.00	
27	Workshop on Zero Tolerance on Past Due Loans	Zero Tolerance workshops completed	Sept-99	Closed	7,048.24	1,661.00				-	1,661.00	
28	Canceled	Canceled	Canceled	Canceled		-				-	-	
29	Enhancement of Loan & Savings Ledger	Enhancement of Loans & Savings Ledger completed.	Oct-99	Closed	5,440.16	4,757.00				-	4,757.00	
30	Purchase of MBXD95+	Completed	Nov-99	Closed	10,231.09	9,398.00				-	9,398.00	
31	Delinquency Measurement and Control Course	Course done and completed	Nov-99	Closed	569.75	223.00				-	223.00	
32	Canceled	Canceled	Canceled	Canceled		-				-	-	
33	ST consultancy of Guillermo Bolanos	Completed	Dec-99	Closed	22,550.00	30,922.00				-	30,922.00	
34	Use of CLIN2 Funds for MABS expansion	On-going on MIS component.	Dec-99	Open	1,300,000.00	1,366,995.21	(74,871.65)	(3,506.03)		(78,377.68)	1,288,617.53	
35	Canceled	Canceled	Canceled	Canceled		-				-	-	
36	Orentation for Sr. Officers of new PBs	Orientation of done.	Jan-00	Closed	3,596.15	1,718.00				-	1,718.00	
37	Refresher course MicroBanker loans module	Course conducted and completed	Jan-00	Closed	1,755.09	1,340.00				-	1,340.00	
38	Microfinance staff training course	Participant Banks MF Training	Jan-00	Closed	6,407.82	5,062.00				-	5,062.00	
39	Pilot Banks Reps. Consultation and Evaluation meeting	Pilot Banks Consultation and Evaluation meeting	Jan-00	Closed	150.00	135.00				-	135.00	
40	Purchase of MicroBanker MBXD95+Software for RB Lebak	Rural Bank of Lebak MBXD95+software delivered	Jan-00	Closed	900.65	793.60				-	793.60	
41	Commodities and Support	PBA and Commodities Support	Feb-00	Open	105,057.52	72,446.00				-	72,446.00	3
42	Consultation and Evaluation meeting with roll out banks	Rollout banks and evaluation meet	Feb-00	Closed	1,767.61	1,488.00				-	1,488.00	
43	Purchase of MicroBanker and related services Oroquieta/Green	Microbanker and related services of RB Oroquieta and Green Bank	Mar-00	Closed	5,721.35	4,168.40				-	4,168.40	
44	Consultation and Planning Meeting with the RBAP ExeCom	RBAP Excom Consultation and Planning Meeting conducted.	Mar-00	Closed	618.75	312.00				-	312.00	
45	Support Expansion to Branches	Support for expansion to branches	Apr-00	Open	35,750.00	1,226.42				-	1,226.42	3
46	Workshop on Cashflow Lending	Cashflow Lending Workshop of Rural Bankers in Mindanao completed	May-00	Closed	6,045.61	4,216.00				-	4,216.00	
47	Enhancement for Hardcode Computer System for RB- Talisayan	Hardcode Computer System for RB Talisayan enhancement completed	May-00	Closed	4,778.67	4,123.00				-	4,123.00	
48	Purchase of Microbanker MBXD95 and Software for CRB Bukidnon	Microbanker MBXD95 + Software for CRB Bukidnon delivered.	May-00	Closed	872.64	-				-	-	
49	Canceled	Canceled		Canceled		-				-	-	

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50	Consultation and Planning Workshop with RBAP and MABS Technical	RBAP and MABS Technical Consultation and Planning Workshop	Jun-00	Closed	1,561.90	1,126.00				-	1,126.00	
51	Big Byte Savings & Loans System for RB of Montevista	Enhancement of Big ByteShoppe Savings & Loans System	Jan-00	Closed	5,136.79	4,160.17				-	4,160.17	
52	SEEP/APPEND Financial Ratio Analysis Course	Technical staff attended Financial Ratio Analysis Course	Aug-00	Closed	537.78	244.00				-	244.00	
53	MABS Phase out Consultative Meeting	Pilot Banks President, Gen. Manager and MFU Supervisor and MABS Management attended the Consultative Meeting	Sept-00	Closed	220.00	204.00				-	204.00	
54	New RBAP Technical Staff Salaries & Support	On-going	Nov-00	Open	96,289.86	75,450.28	2,161.01	332.58	3,013.93	5,507.52	80,957.80	
55	Training course for Sr. Management and MF Staff and Supervisors for Luzon and Visayas Banks	Conducted workshops/trainings in the Visayas and Luzon	Apr-01	Closed	9,085.71	6,693.99				-	6,693.99	
56	Impact Evaluation Study	Evaluation completed	Jun-01	Closed	1,345.05	1,592.00				-	1,592.00	
57	Travel to Hongkong of Ms. Solis & Pineda	Attended by Mrs. Solis and Mrs Pineda from RB of Sto Tomas.	Aug-01	Closed	3,478.16	1,076.57				-	1,076.57	
58	Credit Reference Bureau Development Support	On-going	Sep-01	Open	2,480.43	1,639.19				-	1,639.19	
59	Training on USAID admin and financial management requirements	Two MABS staff attened the training	Feb-02	Closed	717.05	-				-	-	
60	Roundtable events for Senior Management	Conducted twice in Davao, and once in Dipolog City and Cebu City	Mar-02	Closed	4,536.53	5,103.34				-	5,103.34	
61	Videos for RBAP-MABS	Produced videos of MABS successes	Mar-02	Closed	4,180.09	4,645.87				-	4,645.87	
62	Exposure Visit/Training and Planning for Sr. Mgt. of new MABS partner banks	Attended by Mgt. Staff of RB of Paglas, RB of Isulan and Maranao Bank	Apr-02	Closed	4,871.83	3,267.34				-	3,267.34	
63	Commodities and Support of 3 New Partner Banks	On-going	Jun-02	Open	42,932.44	15,100.03				-	15,100.03	
64	MFU Supervisors' Forum 1	Conducted in Dipolog in July 2002	Jul-02	Closed	1,768.05	804.36				-	804.36	
65	Canceled	Canceled	Canceled	Canceled	0.00	-				-	-	
66	Commodities and Support of UCPB Rural Bank	On-going	Sep-02	Open	8,461.54	193.44				-	193.44	
67	Supervisors Forum 2 and 3	On-going	Oct-02	Closed	3,115.56	2,365.43	20.06			20.06	2,385.49	
68	BSP Participation in MABS Modular Training Course	On-going	Oct-02	Open	988.29	-				-	-	
69	PDA Loan Collection Module Enhancement of the MB System	On-going	Jan-03	Open	857.45	396.23				-	396.23	
70	MABS-PSP Market Demand Survey	Survey done March 27, 2003	Feb-03	Closed	639.17	528.87				-	528.87	
71	Video Production of RBAP/MABS	Videos approved and delivered	Feb-03	Closed	3,142.36	2,480.13				-	2,480.13	
72	MABS Learning Centers, MABSters and PSP	On-going	Mar-03	Open	20,564.66	16,017.83		(1,995.64)	(51.78)	(2,047.42)	13,970.41	
73	Sr. Management Orientation of 6th Roll-out Banks and PSP	Done Mar 26-27, 2003	Mar-03	Closed	693.99	668.12				-	668.12	
74	Microfinance Supervisors Forum 4 and 5	On-going	May-03	Open	2,546.79	449.63				-	449.63	
75	Global Summit for Women	Attended by a delegate from RB of Tacurong	May-03	Closed	2,399.00	1,748.70				-	1,748.70	
76	Commodities and Other Support of 3 Participant Banks	On-going	Jun-03	Open	9,409.12	58.36			951.80	951.80	1,010.16	

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							Jan-04	Feb-04	Mar-04			
77	Web Publishing Contractor for Production of MABS Training Materials	On-going	Jul-03	Open	6,096.42	2,032.54				-	2,032.54	
78	Support for BSP Training In Microfinance Examination Procedures	Examiners training on microfinance conducted	Jul-03	Closed	1,392.80	992.00				-	992.00	
79	Videos Production for MABS Approach	On-going	Aug-03	Open	12,056.92	7,687.41		183.25		183.25	7,870.66	
80	Support for RBAP Cost Accounting System	On-going	Aug-03	Open	1,470.32	-				-	-	
81	MSP Program Rollout	On-going	Oct-03	Open	6,892.12	1,064.23		2,469.96	286.08	2,756.04	3,820.27	
82	Microfinance Council	Attended by RB of Kapatagan Valley manager.	Oct-03	Closed	278.63	107.23				-	107.23	
83	2003 MABS Microenterprise Clients Survey	Survey done by Ateneo de Davao.	Nov-03	Closed	3,286.89	1,625.97			1,611.46	1,611.46	3,237.43	
84	MABS Rollout Support Program for Rural Banks	On-going	Nov-03	Open	33,723.02					-	-	
85	MABS Support To Train Additional MABSters	On-going	Jan-04	Open	1,227.28			32.15	548.08	580.23	580.23	
86	MABS Support for Two Rollout Banks in the ARMM/CAAM	On-going	Apr-04	Open	11,273.93				189.29	189.29	189.29	
87	RB2000 User Conference	On-going	Feb-04	Open	4,404.10				386.92	386.92	386.92	
88	Video Production for EAGLE Awards 2004	On-going	Feb-04	Open	4,743.66				1,896.05	1,896.05	1,896.05	
89	MABS National Roundtable and EAGLE Awarding	On-going	Feb-04	Open	3,071.81				115.38	115.38	115.38	
										-	-	
<b>SUBTOTAL</b>					<b>2,326,145.46</b>	<b>2,053,832.52</b>	<b>(72,690.58)</b>	<b>(2,483.73)</b>	<b>8,947.21</b>	<b>(66,227.10)</b>	<b>1,987,605.42</b>	<b>3%</b>
<b>Add:</b>												
<b>General &amp; Administrative Costs</b>						91,795.83	(3,271.05)	(1,037.00)	402.62	(3,905.43)	87,890.40	
<b>Fee</b>						106,328.95	(3,798.09)	798.74	467.48	(2,531.87)	103,797.08	
<b>GRAND TOTAL</b>					<b>2,326,145.46</b>	<b>2,251,957.30</b>	<b>(79,759.72)</b>	<b>(2,721.99)</b>	<b>9,817.31</b>	<b>(72,664.40)</b>	<b>2,179,292.90</b>	

**MABS Philippines Home Office Reports Tracker**  
**Contract No. 492-C-00-98-00008-00**

Technical Deliverables	Submitted By	Report Date	Submitted to CDIE
An Alternative Approach to Rural Financial Intermediation (The Philippine Experience)	Meliza Agabin/Jorge L. Daly	May 1, 1996	Yes
A Survey of Microenterprise Client of MABS Partner Banks Survey Results, Sampling and Data Tables	M. Agabin/C. Cornejo/D. Capeding	September 1, 2001	Yes
BSP Inception Report	Carlos Alba	October 1, 2002	Yes
BSP Examination and CAMELS Manual for Microfinance Loans	Carlos Alba	February 1, 2003	Yes
Cash Flow Lending and Loan Pricing Seminar Report	Andres Panganiban	December 1, 1998	Yes
Completion Report (Seminar on Microfinance Products of Rural Bank of Talisayan) (final draft)	Chemonics International	November 14, 1998	Yes
Consultancy Completion Report	Ms. C.y. Nunez-Ollero	August 3-27, 1998	Yes
Consultancy Completion Report	Ms. Meliza H. Agabin	September 15, 1998	Yes
Deposits & Loan Management System Study	Peter Glibbery	April 1, 1999	Yes
Evaluation of the Pilot Phase of MABS-M Program	Virginia Abiad	March 22, 1999	Yes
Familiarization with Related USAID Projects: ( MABS-M Brief)	Chemonics International	September 1, 1998	Yes
Feasibility Study: Expanding MABS' Outreach to Muslim Clients	L. Doerring/R. Quinones/C. Cornejo	April 20, 2001	Yes
First Operations Review of NMTK Micro Loan of Enterprise	C. Dicdiquin/B. Bunao/R. Quinones	March 2002	Yes
Innovations to Increase Access to Microcredit	Gerald Andersen	September 1, 1998	Yes
Private Service Provider Installation of MABS Approach	Michael Alcorn	November, 2002	Yes
MABS Service Provider Program	Michael Alcorn	May 1, 2003	Yes
Microenterprise Sector Study	Raika Quinones	Jun-97	Yes
RBAP Strategic Development Plan 2000-2003	Laurel Druben	May 1, 1999	Yes
Microenterprise Survey Report - Digos, Davao Del Sur	Arah Limpao & Raika Quinones	Feb-99	Yes
Microenterprise Survey Report - Sto. Tomas, Davao Province	Arah Limpao & Raika Quinones	Feb-99	Yes
Microfinance and the Bank Regulatory Environment	Bill Pendleton	September 25, 1998	Yes
Mindanao Rural Banks: Funding Sources and Credit Programs for Microenterprises (Final Draft)	Meliza Agabin & Arah Limpao-Oso	December 1, 1998	Yes
MIS Assessment of Candidate Pilot Banks	Peter Glibbery & A. Petalcorin	Aug-98	Yes
Panabo Agro-Industrial Cooperative An Integrated Rice Commodity System (A Case Study)	Dehlia Capeding	December 1, 1998	Yes
Reports on Financial Trends in Mindanao		May 1, 2002	Yes

## Annex 1.3 Reports Tracker

Rural Bank Market Survey	Arah Sadava	October 1, 2002	Yes
Rural Banks and Microfinancing	Joseph Y. Lim	December 1, 1998	Yes
Service Provider Feasibility Study		February 1, 2002	Yes
Training Program Report	Bill Pendleton	September 30, 1998	Yes
Market Study to Expand Microfinance in MABS Banks	Anita Campion	October, 2003	Yes
MABS Technical Assistance Manual			Yes
Work Plans	Submitted By	Report Date	Submitted to CDIE
Year 1 Work Plan (1998)	Chemonics International	Dec-97	Yes
Year 2 Work Plan (1999)	Chemonics International	Dec-98	Yes
Year 3 Work Plan (2000)	Chemonics International	Dec-99	Yes
Year 4 Work Plan (2001)	Chemonics International	Dec-00	Yes
Year 5 Work Plan (2002)	Chemonics International	Dec-01	Yes
Year 6 Work Plan (2003)	Chemonics International	Dec-02	Yes
Quarterly Progress Reports	Submitted By	Report Date	Submitted to CDIE
Quarterly Performance Monitoring Report (First)	Chemonics International	April 1, 1998	Yes
Quarterly Performance Monitoring Report (Second)	Chemonics International	July 1, 1998	Yes
Quarterly Performance Monitoring Report (Third)	Chemonics International	October 1, 1998	Yes
Quarterly Performance Monitoring Report (Fourth)	Chemonics International	January 1, 1999	Yes
Quarterly Performance Monitoring Report (Fifth)	Chemonics International	April 1, 1999	
Quarterly Performance Monitoring Report (Sixth)	Chemonics International	July 1, 1999	Yes
Quarterly Performance Monitoring Report (Seventh)	Chemonics International	October 1, 1999	Yes
Quarterly Performance Monitoring Report (Eight)	Chemonics International	January 1, 2000	Yes
Quarterly Performance Monitoring Report (Ninth)	Chemonics International	April 1, 2000	Yes
Quarterly Performance Monitoring Report (Tenth)	Chemonics International	July 1, 2000	Yes
Quarterly Performance Monitoring Report (Eleventh)	Chemonics International	October 1, 2000	Yes
Quarterly Performance Monitoring Report (Twelfth)	Chemonics International	January 1, 2001	
Quarterly Performance Monitoring Report (Thirteenth)	Chemonics International	April 1, 2001	Yes
Quarterly Performance Monitoring Report (Fourteenth)	Chemonics International	July 2001	Yes
Quarterly Performance Monitoring Report (Fifteenth)	Chemonics International	November 1, 2001	Yes
Quarterly Performance Monitoring Report (Sixteenth)	Chemonics International	February 1, 2002	Yes
Quarterly Performance Monitoring Report (Seventeenth)	Chemonics International	May 1, 2002	Yes
Quarterly Performance Monitoring Report (Eighteenth)	Chemonics International	July 1, 2002	Yes
Quarterly Performance Monitoring Report (Nineteenth)	Chemonics International	November 1, 2002	Yes
Quarterly Performance Monitoring Report (Twentieth)	Chemonics International	February 1, 2003	Yes
Quarterly Performance Monitoring Report (Twenty-first)	Chemonics International	April 1, 2003	Yes
Quarterly Performance Monitoring Report (Twenty-second)	Chemonics International	July 1, 2003	Yes
Quarterly Performance Monitoring Report (Twenty-third)	Chemonics International	October 1, 2003	Yes
Quarterly Performance Monitoring Report (Twenty-fourth)	Chemonics International	1-Jan-04	Yes

## **Annex 1.4 Monthly Highlights**

# Microenterprise Access to Banking Services (MABS) Program

## January 2004 Highlights

### Training for Bank Examiners

Automated Systems and Equipment Corporation (ASEC), the developers of Rural Banker 2000 (RB2000), the MABS-funded banking software program, provided orientation sessions for BSP examiners in January. One hundred and forty BSP examiners attended the two half-day sessions.



### Activity-Based Costing Workshop

Twenty-eight participants from three MABS participating banks and three cooperatives attended a workshop on the Activity-Based Costing (ABC) tools developed by World Bank-supported Consultative Group to Assist the Poor (CGAP). The tool improves the tracking of expenses to specific loan and saving products in order to help institutions to better understand costs and improve efficiency.

The workshop provided participants with a menu of techniques for allocating individual microfinance product costs and introduced them to activity-based costing methods. The workshop participants included representatives from the following institutions: Rural Bank of Talisayan, Rural Bank of Cantilan, Green Bank of Caraga, Nabunturan Integrated Cooperative, First Isabela Credit Cooperative, and staff from MABS and World Council of Credit Unions (WOCCU) Credit Union Empowerment and Strengthening (CUES) Project.

### Study Group to Bolivia

A delegation composed of eight representatives from seven MABS participating banks joined a microfinance study tour to Bolivia from January 21-30.

The study group observed current practices of successful commercial Bolivian microfinance institutions including PRODEM, Banco Sol, Pro Mujer, Caja Los Andes, and FIE. The main objective of the tour was to study the

approaches used by regulated microfinance institutions to expand market outreach, maintain high portfolio quality, and manage growth at the operational level. The group also visited the Superintendency of Banks and Financial Institutions and the local credit bureau.

### Citigroup Launches Microentrepreneur of the Year Awards 2004

Citigroup Philippines, along with the Microfinance Council of the Philippines and the Bangko Sentral ng Pilipinas, announced the 2004 Microentrepreneur of the Year Awards on January 28 in Manila. The Microentrepreneur of the Year Awards will be given in May after a nationwide search for the most outstanding Filipino microentrepreneurs. The awards aim to recognize successful microentrepreneurs in the Philippines and to create a greater public awareness on the role of microfinance and microenterprises toward employment generation and poverty reduction.

In 2002, Citigroup held the first Citibank Microentrepreneur of the Year Award ceremony as part of the bank's centennial celebrations. Mrs. Josephine Alima, a peanut cookie manufacturer and a client from MABS participating bank, First Isabela Cooperative Bank, won the top prize. Two other clients of MABS participating banks won as first-runners up: Victoria Lim, a snack food manufacturer and a Rural Bank of Cantilan client, and Emilia Montinola, a vegetable vendor and a Rural Bank of Victorias' client.



*Present during the 2004 Citigroup MOTY Awards launching were (left to right) Microfinance Council of the Philippines, Inc. (MCPI) President Ruben de Lara, Citigroup Country Officer James Hunt, BSP Governor Rafael Buenaventura, and MCPI Officer Jaime Alip.*

# Microenterprise Access to Banking Services (MABS) Program

## February 2004 Highlights

### **MABS Technical Resource Specialists (MABSTeRS) Workshop**

The MABS Program conducted a workshop from February 17-20 to train and prepare microfinance unit (MFU) supervisors and branch managers of participating banks to become accredited MABS Technical Resource Specialists (MABSTeRS). These trained specialists will serve as technical advisors and instructors in microfinance for participating rural banks. Eleven supervisors from six participating banks attended the workshop. The training focused on the following topics: microfinance best practices, credit and background investigation (CIBI), CIBI report preparation, cashflow analysis and report preparation, and delinquency control and management.



*Gloria Arellano of Bangko Kabayan (third from left) accepts her MABSTeRS Training Certificate of Participation from (left to right) MABS Program Chief of Party John Owens, USAID Cognizant Technical Officer Teresita Espenilla, and (extreme right) USAID Economic Growth Advisor Robert Barnes.*

The workshop prepared the participants to conduct refresher microfinance courses for account officers of MABS participating rural banks. After every session, written diagnostic tests were administered and participants were asked to deliver presentations on assigned topics.

### **MABS Approach Market Research Module Completed for Five Banks in Luzon**

MABS Service Provider (MSP) Punla sa Tao Foundation conducted the Market Research Module training on February 2-4 in the Bicol region. Eighteen participants from five Luzon rural banks attended the training. Punla will start the Product Development module training for these banks in March.

### **MABS Approach Product Development Module Completed for Nine Banks in Luzon**

MABS Service Provider (MSP) Associated Resources for Management and Development, Inc. (ARMDEV) delivered the Product Development Module to twenty-seven rural bankers from eight rural banks from February 17-20 in Manila. This is the third module delivered by ARMDEV to rural banks in Luzon. They have also recently completed the Product Development course for the staff from another rural bank in Bicol during the month of February. The training on the Loan Administration and Management Module will be conducted on March 15-19.



*ARMDEV consultants delivering the classroom training of the Product Development Module to Rural Bankers from Luzon.*

### **Activity-Based Costing Technical Assistance Provided to Two Rural Banks in Mindanao**

MABS provided technical assistance to two participating rural banks testing the Consultative Group to Assist the Poor (CGAP) designed Activity-Based Costing (ABC) tool. Rural Bank of Cantilan and the Greenbank of Caraga served as the test sites for the ABC tool, which was introduced and discussed in a workshop attended by the staff of three rural banks and three credit cooperatives in January 2004.

# Microenterprise Access to Banking Services (MABS) Program

## March 2004 Highlights

### MABS Hosts RB2000 Users' Conference

MABS hosted a conference for users of the banking software it developed, the Rural Banker 2000 (RB2000), on March 12 in Manila. Forty-four participants representing 25 banks attended the conference, which was held so that users could share and discuss common issues and solutions to frequently encountered problems. Technical staff from the software's rollout companies Automated Systems and Equipment Corporation (ASEC) and Integrated Systems and Equipment Corporation (ISSEC) provided workarounds and recommended long-term solutions. The features of the software's updated version, RB2000 Version 1.1, were also discussed.

### ARMDEV Completes 2<sup>nd</sup> Luzon Rollout Training

Thirty-one participants from eight rural banks completed the last *MABS Approach* Training and Technical Services (MATTS) module, Loan Administration and Management, on March 19, 2004. The training was conducted by Associated Resources for Management and Development, Inc., a certified provider of MATTS. ARMDEV consultants will provide the banks with on-site technical assistance in the next two weeks. The eight banks that completed training are the following: Rural Banks of Abucay, Jacinto, Mallig Plains, Luzon, Cainta, Siargao, Pililia, and the First United Farmers Rural Bank.

### 2<sup>nd</sup> MABS National Roundtable Conference

Ninety presidents, senior managers, and microfinance Unit (MFU) officers from 36 participating banks convened for the 2<sup>nd</sup> MABS National Roundtable Conference in Davao City on March 29-30.



*Conference keynote speaker Supervision and Examination Department Director Wilfredo Domo-ong of the Bangko Sentral ng Pilipinas (BSP) gave a presentation on future directions of BSP microfinance regulations.*

The Roundtable's presentations, forums, and panel discussions focused on market expansion through increased productivity, the event's theme. Participants of the conference included representatives from the Mindanao Economic Development Council, USAID/Philippines, the Bangko Sentral ng Pilipinas (BSP), the World Bank-supported MicroBanking Bulletin based in Washington, D.C., and RBAP. The main speakers included BSP Assistant Governor Nestor Espenilla, BSP Supervision and Examination Department Director Atty. Wilfred Domo-ong, USAID/Philippines Deputy Mission Director Frank Donovan, USAID/Philippines Economic Growth Advisor Robert Barnes and RBAP President Daniel Arcenas. Other presenters included MicroBanking Bulletin analyst Matt Graham, MABS Program staff, Presidents and senior managers from several RBAP-MABS Participating Banks.

### Annex 1.4 Monthly Highlights

### Seven Participating Banks Receive EAGLE Awards

At a ceremony held on March 29 in Davao City, seven MABS participating banks received EAGLE Awards in recognition of their excellent performance in managing their microfinance operations. The EAGLE Awardees were: Banco Santiago de Libon, Bangko Kabayan, New Rural Bank of Victorias, Rural Bank of Dulag, Rural Bank of Tacurong, Rural Bank of Cantilan, and the Kapatagan Valley Bank.



**CIRCLE OF WINNERS.** Heads of EAGLE-awarded rural banks with guests of honor and RBAP-MABS Program officers. (Left to right): BSP Assistant Governor Nestor Espenilla, Kapatagan Valley Bank President Nicolas Lim, New Rural Bank of Victorias President Jaime Lopez, USAID Cognizant Technical Officer Teresita Espenilla, Banco Santiago de Libon General Manager Agnes Dycoco, USAID Economic Growth Advisor Robert Barnes, MABS Deputy Chief of Party Meliza Agabin, Rural Bank of Dulag President Natividad Yu, Bangko Kabayan President Francis Ganson, Rural Bank of Tacurong Vice-President Emilie Lagon, USAID Deputy Mission Director Frank Donovan, Rural Bank of Cantilan President William Hotchkiss, Rural Bankers Association of the Philippines President Daniel Arcenas, and MABS Chief of Party John Owens.

This is the second year that the Program gave out the EAGLE Awards. The awards are based on a bank's EAGLE rating, which measures performance in five areas (Efficiency, Asset quality, Growth, Liability structure, and Earnings).

### 3<sup>rd</sup> Tanzanian Annual National Conference on Microfinance

At the invitation of the Bank of Tanzania, RBAP-MABS Program Chief of Party John Owens gave a presentation on Philippine rural microfinance, with a focus on rural banks and their experience with microfinance under the Program during the 3<sup>rd</sup> Tanzanian Annual National Conference on Microfinance, which was held from March 15-17 in Arushu, Tanzania. Microfinance experts and practitioners from all over the world attended the conference, which was hosted by the Bank of Tanzania, the country's Central Bank.



*In behalf of RBAP President Daniel Arcenas, RBAP-MABS Program Chief of Party John Owens (left) presents the RBAP 50<sup>th</sup> Anniversary Commemorative Coin to the Governor of the Bank of Tanzania.*

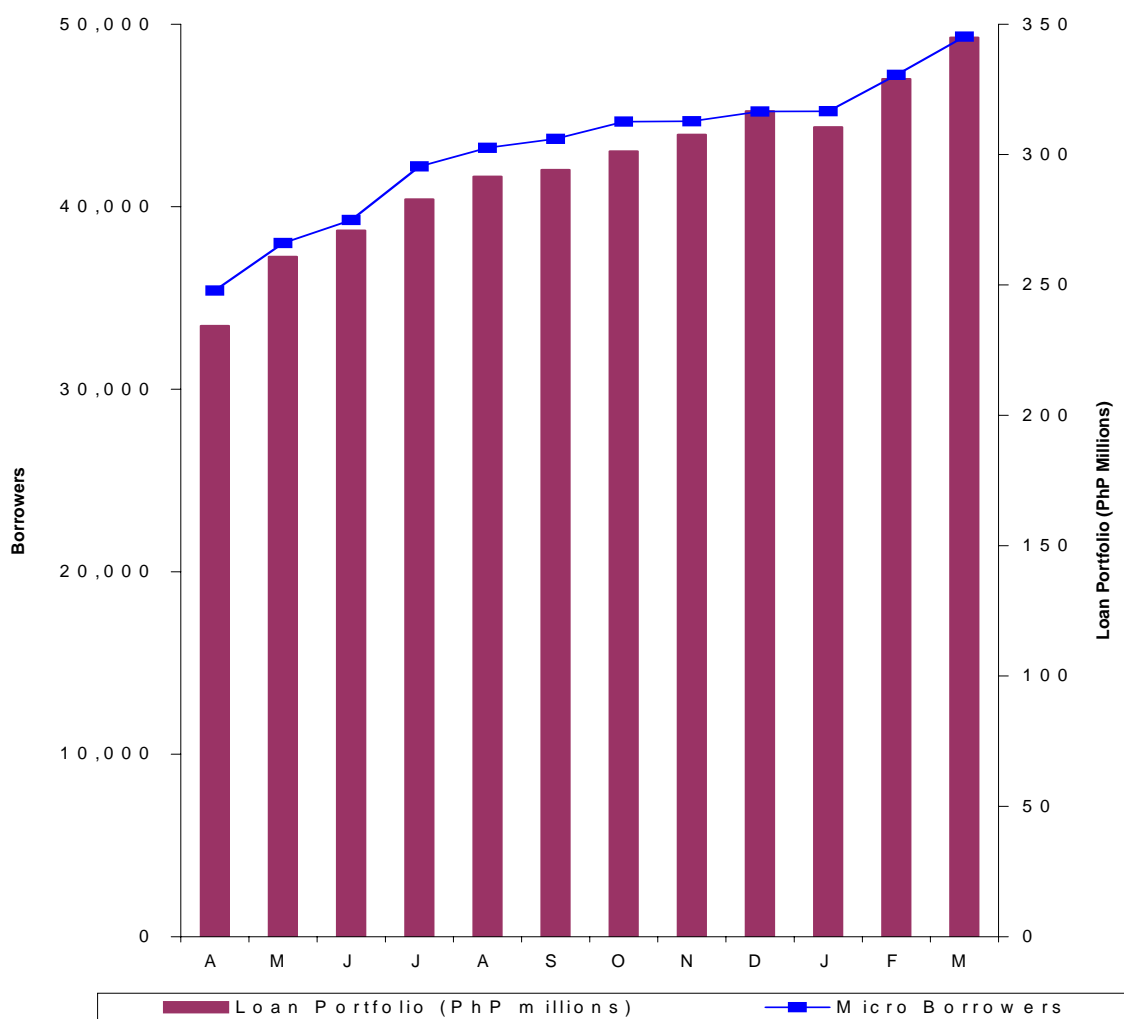
## **Annex 1.5 Press Releases**

**MABS BANKS MICROFINANCE PERFORMANCE REPORT**  
**CONSOLIDATED - BY AREA OF OPERATION (LUZON, VISAYAS AND MINDANAO)**  
**MARCH 2004**

PERFORMANCE DATA	LUZON	VISAYAS	MINDANAO	TOTAL
Number of banks (lending)	11	3	25	39
Number of participating branches (lending)	37	9	80	126
Number of participating branches (trained/on-training)	14	-	2	16
Total number of participating branches	51	9	82	142
Total number of banks	25	3	27	55
Number of active borrowers outstanding	8,090	1,559	39,667	49,316
Number of new borrowers	1,229	145	3,167	4,541
Number of repeat loans	1,311	477	4,770	6,558
Loan portfolio balance	68,157,001	15,715,409	261,061,881	344,934,291
Net change in number of deposit accounts	5,904	4,747	214,184	224,835
Net change in deposit balance	31,732,815	7,687,387	270,088,092	309,508,294
Number of microfinance field staff	102	29	357	488
Number of loans disbursed during the month	2,540	622	9,025	12,187
Cumulative number of new borrowers	9,797	3,099	111,839	124,735
Cumulative number of loans disbursed	23,312	11,262	320,695	355,269
Amount of loans disbursed during the month	32,252,830	10,358,500	103,039,631	145,650,961
Cumulative amount of loans disbursed	408,780,336	157,933,967	3,179,017,768	3,745,732,071
Portfolio at risk more than 7 days	2,449,262	182,153	14,147,703	16,779,118
Portfolio at risk more than 7 days (%)	3.59%	1.16%	6.06%	5.37%
Portfolio at risk more than 30 days	1,721,238	117,106	10,201,869	12,040,213
Portfolio at risk more than 30 days (%)	2.53%	0.75%	4.37%	3.86%

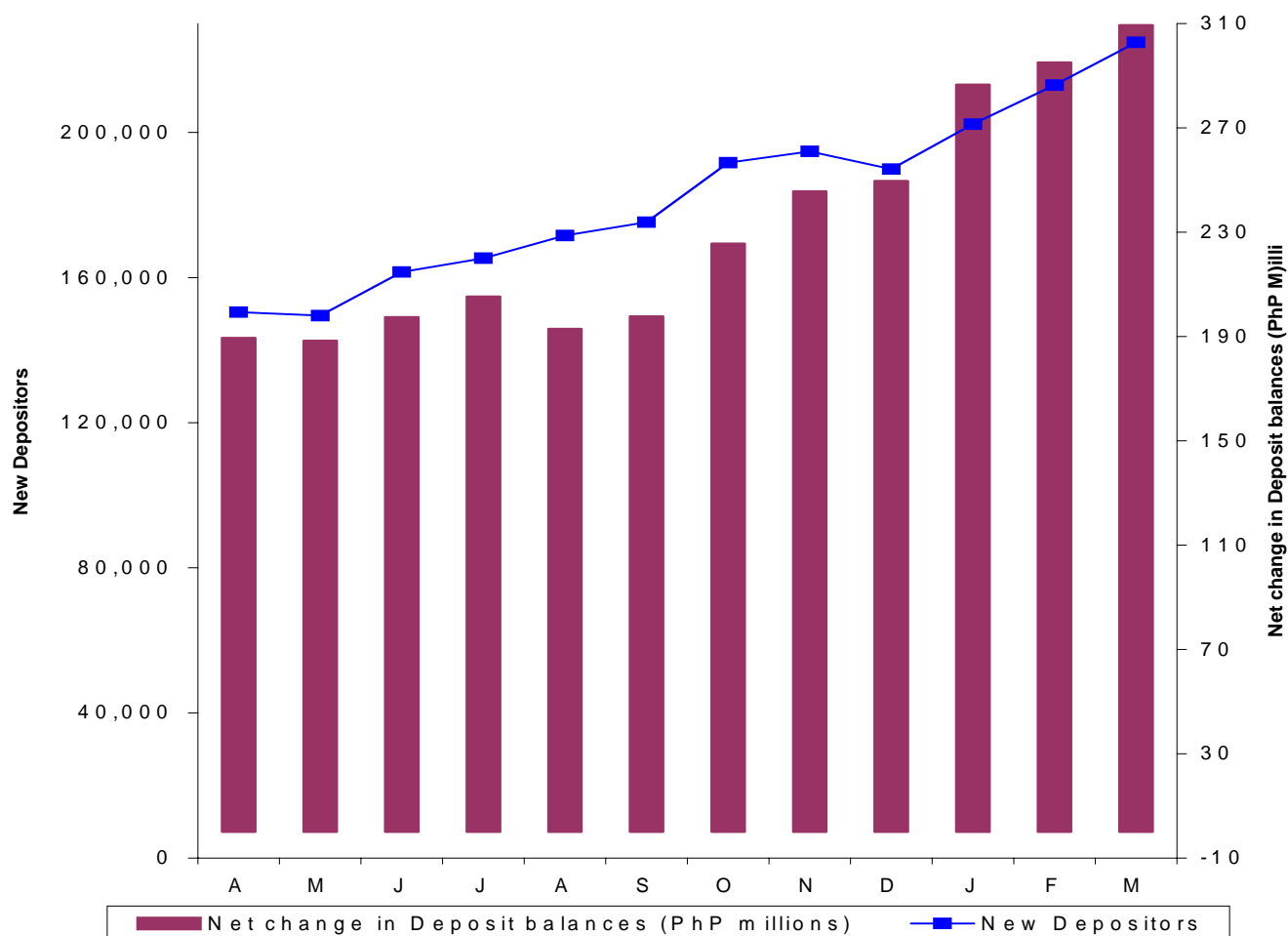
MONTHLY INCOME AND EXPENSE	LUZON	VISAYAS	MINDANAO	TOTAL
Financial income				
Interest income on loans	2,831,285	799,494	10,396,358	14,027,137
Service charge	1,178,631	319,936	4,852,910	6,351,477
Penalty fee on loans	137,827	11,150	210,883	359,860
Total financial income	4,147,743	1,130,580	15,460,151	20,738,474
Total financial expense	404,927	24,664	1,256,262	1,685,853
Gross financial margin (spread)	3,742,816	1,105,916	14,203,889	19,052,621
Loan loss provision	252,580	3,629	671,025	927,234
Net financial margin	3,490,236	1,102,287	13,532,864	18,125,387
Direct operating expenses				
MFU salaries and benefits	686,841	149,932	1,634,922	2,471,695
Gross receipts tax	103,490	4,489	732,406	840,385
Depreciation	48,580	31,274	19,208	99,062
Transportation	71,403	38,048	17,223	126,674
Supplies	41,110	3,566	14,043	58,719
Communication	8,699	2,432	6,540	17,671
Others	156,049	15,606	19,406	191,061
Total direct operating expenses	1,116,172	245,347	2,443,748	3,805,267
Training and professional fees	40,559	-	15,500	56,059
Net income before indirect expenses	2,333,505	856,940	11,073,616	14,264,061
Indirect expenses	453,469	32,657	60,159	546,285
Net income (loss)	1,880,036	824,283	11,013,457	13,717,776

# **Micro Loan Portfolio** **MABS Participating Banks** **April 2003 – March 2004**



	Loan Portfolio (PhPM)	Micro Borrowers
Apr-03	234.36	35,402
May-03	260.86	38,005
Jun-03	272.95	39,456
Jul-03	282.88	42,202
Aug-03	291.65	43,226
Sep-03	294.18	43,717
Oct-03	301.32	44,658
Nov-03	307.66	44,683
Dec-03	316.71	45,216
Jan-04	310.56	45,228
Feb-04	329.02	47,222
Mar-04	344.93	49,316

# **Growth in Micro Savings Deposits\*** **MABS Participating Banks** **April 2003 - March 2004**



	Net Change in Deposit Balances (PhPM)	New Depositors
Apr-03	189.53	150,468
May-03	188.48	149,522
Jun-03	197.47	161,534
Jul-03	205.40	165,319
Aug-03	193.76	171,603
Sep-03	198.81	175,269
Oct-03	225.69	191,662
Nov-03	245.79	194,778
Dec-03	249.75	189,906
Jan-04	286.69	202,295
Feb-04	295.18	213,060
Mar-04	309.51	224,835

\* Deposit balance and Depositors listed exclude baseline deposit balance and depositors when MABS started to work with the rural bank.